



Voluntary Protection Programs Participants' Association
Region VII Iowa · Kansas · Missouri · Nebraska

FINANCE POLICY

Objective

This document establishes the general guidelines and operating procedures that outline the finance system, functions and authorizations, including responsibilities, Treasurer transition, fiscal management, invoice approval and check signing, investments, travel reimbursement, financial reporting, audits and records retention.

This policy is to be used in conjunction with the duties of the Treasurer as described in Article 3, Section 3.7 of the Region VII Voluntary Protection Programs Participants' Association (VPPPA) By-Laws.

Applicability

This policy is applicable to the Region VII VPPPA.

Revision Summary

Revisions include a Balance Sheet definition, financial audit reporting and record retention, Treasurer's transition planning process and checklist, and minor grammatical changes.

- 1.0 Definitions.
- 1.1 Balance Sheet: a financial statement that lists the assets, liabilities and equity of a company at a specific point in time and is used to calculate the net worth of a business.
- 1.2 Chapter: Voluntary Protection Programs Participants' Association Region VII, with a geographical area covering the states of Iowa, Kansas, Missouri and Nebraska.
- 1.3 Executive Council: includes the Chairperson, Vice Chairperson, Treasurer, Secretary / Historian, Labor Representative from a Site with a Collective Bargaining Agreement (CBA), and Labor Representative from a Site without a CBA. The Council's duty is to act on matters requiring expediency or privacy not practical for decision of the full Board. The Committee shall have all of the authority of the Board except as limited by the Chapter By-laws.



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- 1.4 Form 990 Questionnaire: a document distributed by the National VPPPA Controller's Office to collect financial information from each VPPPA Chapter for inclusion into National VPPPA's Form 990 (Return of Organization Exempt From Income Tax) which is a report filed annually with the Internal Revenue Service (IRS) by organizations exempt from Federal income taxes under section 501 of the Internal Revenue Code.
- 1.5 Full audit: a detailed test of all an entity's accounts to determine whether the entity's financial statements present fairly the financial position, results of operations and cash flows or changes in financial position in accordance with generally accepted accounting principles or other comprehensive basis of accounting. The test, broad in scope with independent source confirmation, determines whether the entity has complied with laws and regulations that may have a material effect on the financial statements.
- 1.6 Officers: the Chapter Officers of the Board of Directors, including the Chairperson, Vice Chairperson, Treasurer and Secretary / Historian.
- 1.7 Special procedure audit: generally undertaken with a limited scope, these specialized audits are designed to obtain detailed information about only a portion of the entity's financial statements. Special procedures can be tailored to meet very specific objectives defined by the entity.
- 2.0 Responsibilities.
 - 2.1. The Board of Directors and its Officers are responsible for prudent management of the Chapter's funds so that mismanagement, non-management and self-dealing does not occur.
 - 2.2 The Treasurer is responsible to maintain the financial records and manage the financial affairs of the Chapter in accordance with the established By-laws, finance policy and procedures.
 - 2.3 The Treasurer is responsible to ensure an effective transition upon leaving office. A formal transition shall occur between outgoing and incoming Treasurers within 90 days of the incoming Treasurer taking office. The transition shall include a consult to discuss roles and responsibilities, and the completion of both the Treasurer's Transition Report and the Treasurer's Transition Checklist. This process is described in Appendix 2 – Treasurer's Transition Planning.
- 3.0 General policy.



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- 3.1 The Treasurer shall select a financial institution(s) to provide the appropriate financial services. Only financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC) shall be used. All account types shall be documented and provided to the Chapter Board of Directors. All account numbers shall be documented and provided to the Chapter Chairperson. Account numbers shall not be communicated via e-mail. No other financial institutions shall be utilized for Chapter finance matters.
- 3.2 The Treasurer and Chairperson are authorized to endorse checks and orders for the payment of money or otherwise withdrawal or transfer funds on deposit with the Chapter financial institution for appropriate disbursement on behalf of the organization without approval of the Chapter Board of Directors. Any single disbursement that exceeds \$1,000.00 shall require two signatures. These two signatures shall be that of the Chairperson and Treasurer.
- 3.3 All expenditures shall be supported by written documentation. The documentation shall be filed with the Treasurer.
- 3.4 The face of each document from which payment is made shall reflect the amount paid, the corporation check number used to pay the item, and the date the payment was issued.
- 4.0 Fiscal management.
- 4.1 The Chapter Board shall approve an annual operating plan for the general fund and any other investment or scholarship fund for the fiscal year (July 1 to June 30), no later than June 30 of each year prior to the upcoming fiscal year.
- 4.2 The Executive Council and the Conference Planning Committee Chairperson shall prepare the annual operating plan.
- 4.3 No plan shall be approved where expenditures exceed the expected means of financing. No items of expense may be incurred through the year except as provided for in the approved plan, unless a revision is adopted and approved by the Board.
- 5.0 Invoice approval and check signing.
- 5.1 Strong safeguards against possible error or fraud in the payments made by the Chapter are in place, and excellent relations are maintained with its creditors.
- 5.2 Identified Chapter Officers shall be the authorized members to approve documents for payment, and use Chapter credit cards within limits and solely



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for Chapter business as determined and authorized by the Chapter Board. The Treasurer and Chairperson are authorized to hold Chapter credit cards.

- 5.3 All invoices received by the Chapter for payment shall be forwarded to the Treasurer for review and processing , including attachments of any receiving documents or receipts that may have preceded the invoice. An Invoice Payment Request Form (see Appendix 1) with all supporting documentation and approval signature shall accompany the invoice for payment.
- 5.4 After verification of the receipt of goods or services, the invoice shall be approved for payment by an Officer. This shall not be the same person verifying the receipt of goods or services.
- 5.5 After an invoice has been approved for payment, it shall be entered into the accounting system and check written in the normal course of business. If the check amount exceeds \$1,000, two signatures shall be required. These two signatures shall be that of the Chairperson and Treasurer.
- 5.6 Chapter Officers are authorized to approve invoices for payment and responsible to ensure that the invoice falls within current budgetary amounts.
- 6.0 Investments.
- 6.1 To increase the Chapter's financial assets, funds will be invested in safe growth vehicles. These accounts shall be low risk and have a record of safe and steady growth.
- 6.2 The Treasurer shall identify and transact investment strategies, with approval of the Board of Directors.
- 7.0 Travel Reimbursement.
- 7.1 The Chapter may reimburse non-Board members for auto mileage to conduct business on behalf of the Chapter. Chapter business shall not include travel to board meetings or conferences.
- 7.2 All auto mileage shall be supported by written documentation using the Invoice Payment Request Form and shall be submitted to the Treasurer.
- 7.3. Mileage shall be reimbursed at a rate equivalent to the IRS allowable rate. Mileage shall be calculated using the address of the traveler's company as a start and end point of the travel. Mileage submitted shall be verified through a mapping service such as Mapquest. If the mileage submitted is not reasonably



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close to the mapping service quote, the mileage quoted by the mapping service will be used to calculate the reimbursement.

- 8.0 Financial reporting.
- 8.1 The Treasurer shall prepare and submit a treasury report to the Board of Directors monthly for review and approval. The treasury report shall include:
 - 8.1.1 A summary of all receipts and disbursements. Receipts and disbursements are to be controlled and reported based on pre-numbered receipts and checks. The summary shall account for all items in each sequence.
 - 8.1.2 Beginning and ending balance of checking, savings and investment accounts.
 - 8.1.3 A reconciliation of ending amounts on the summary to account statements provided by financial institutions.
 - 8.1.4 A copy of all periodic statements provided by financial institutions.
- 8.2 Treasury reports shall be communicated to the Chapter membership upon request through the Treasurer and at least annually through the annual conference.
- 8.3 The Treasurer shall prepare and submit an annual operating plan summary to the Board of Directors quarterly for review and approval. The plan summary shall include actual versus budgeted revenues and receipts, expenditures and disbursements, beginning and ending fund and cash balances.
- 8.4 The Treasurer shall engage a certified public accountant to prepare an annual financial audit report for the completed fiscal year. The financial audit shall include an examination of the financial records for the fiscal year through a special procedures audit as defined in § 9 of this Policy. The audit report shall be presented to the Board of Directors for approval within 120 days of the fiscal year-end. The audit report shall be submitted to National VPPPA.
- 8.5 The Treasurer shall prepare annually the Chapter's Form 990 Questionnaire and Balance Sheet for the completed fiscal year. Both documents shall be submitted to National VPPPA.
 - 8.5.1 The Treasurer may consult, as necessary, a certified public accountant to assist in the preparation of the Form 990 Questionnaire and Balance Sheet.
- 9.0 Audits.



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- 9.1 The Treasurer shall engage a certified public accountant to conduct an independent third-party special procedures audit of all financial records annually, and when a new Treasurer is elected or appointed. A full or special procedures audit may also occur upon request of the Chapter membership, Board of Directors or Officers, with the majority approval of the Board of Directors.
- 9.2 The special procedures audit shall be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). The following special procedures will be applied to the transactions for the fiscal year, including:
 - 9.2.1 All expenses \$300 or greater will be selected and agreed to supporting documents and traced to inclusion in the bank statement. Investigation of proper approval of the disbursement will be noted and proper signatures will be identified on the cancelled check.
 - 9.2.2 All deposits \$300 or greater will be selected and agreed to supporting documents and traced to inclusion in the bank statement.
 - 9.2.3 The fiscal-year end reconciliation report will be tested and traced to the bank statement.
 - 9.2.4 The account activity will be totaled and agreed to the supporting expenses and deposits tested.
- 10.0 Records retention.
 - 10.1 Bank statements, original deposit slips and invoices, receipts and payment requests for all financial transactions shall be maintained for seven years plus the current year. Annual compiled financial statements and financial statement reviews shall be maintained for seven years plus the current year.
 - 10.2 The annual Form 990 Questionnaire and the fiscal year-end Balance Sheet shall be permanent records of the Chapter. Any correspondence from the National VPPPA or the IRS concerning any matter shall be maintained for seven years.
 - 10.3 The original of all reports given by the Treasurer shall be signed and maintained for seven years plus the current year. An electronic back up copy of all financial records shall be maintained by the Treasurer for the same required retention period. Only the Chapter Treasurer or Chairperson is authorized to dispose of financial records after the retention period.



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Appendix 1 – Invoice Payment Request Form

Invoice Payment Request Form			
Send Check Payable to:			
Date	Description of Product(s) and/or Service(s)		Amount
		Total:	0.00
Board Member Requesting Payment of Invoice:			
Name:			
Phone:			
Email:			
Signature: _____	Date: _____		
		<div style="border: 1px solid black; background-color: #cccccc; padding: 2px; width: fit-content; margin: 0 auto;"> Treasury Office Use Only </div>	

Note: Please attach invoice, receipts and bid sheets if applicable.



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Appendix 2 – Treasurer's Transition Planning

This document defines the process for transitioning the Treasurer role and responsibilities when an incumbent Treasurer leaves office. It identifies the financial records, operating plans and governance documents reviewed, the transition report developed, and the action plan executed, documenting the official transition from outgoing to incoming Treasurer. The transition process shall be completed within 90 days of the incoming Treasurer taking office.

Documents, Records and Plans

The transition process begins with a consultation with the outgoing Treasurer to discuss the Treasurer's role and responsibilities, and the Chapter financial documents, records and plans. The following shall be reviewed with the incoming Treasurer:

- By-laws – focusing on the Treasurer's responsibilities
- Finance Policy
- Annual Operating Plan for the previous two (2) fiscal years
- Chapter and National audits and audit processes for the previous two (2) fiscal years
- Treasurer's Calendar
- Records and documents necessary to manage all financial matters
- Short and long term financial goals.

Treasurer's Transition Report

A Treasurer's Transition Report is developed to document the transition process. The report shall include, but not be limited to:

- Records of the previous year's spending
- Conference attendance and registration information
- A proposed annual operating plan for the upcoming year
- A breakdown of how each Chapter account is utilized and the revenues and disbursements for each account
- Treasurer interactions with the Chapter Chairperson and Board of Directors
- Other pertinent information about the financial policies and procedures of the Chapter (By-laws, Treasurer's role and responsibilities)

The incoming Treasurer shall document all information that was not included in the outgoing Treasurer's Transition Report, maintain this record indefinitely, and include it in their own Treasurer's Transition Report.

Treasurer's Transition Checklist

The following Treasurer's Transition Checklist provides a guide for outgoing and incoming Treasurers to facilitate the completion of key activities. The Treasurers shall initial each action upon completion and sign and date the document when all actions are completed. The checklist shall be incorporated into the Treasurer's Transition Report.



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Treasurer's Transition Checklist

Ini- tial	Incoming Treasurer Checklist	Ini- tial	Outgoing Treasurer Checklist
	Sign new bank signature cards with Chapter Chair at the bank with the Chapter accounts.		Sign off bank signature card with Chapter Chair at the bank with the Chapter accounts.
	Apply for new credit / debit cards at the bank with the Chapter accounts.		Surrender all credit / debit cards for disposal to the incoming Chapter Treasurer or current Chapter Chair.
	Verify receipt of all Chapter financial documentation (paper and electronic).		Remit all Chapter financial documentation (paper and electronic) to the incoming Treasurer.
	Ensure and verify new credit card information has been updated with outgoing Treasurer and Chairperson information.		Update credit card information with credit card company on incoming Treasurer information.
	Verify with the National VPPPA Office that a Chapter Treasurer change has occurred and provide updated contact information.		Notify National VPPPA Office that a new Chapter Treasurer has been installed.
	Verify receipt of By-laws, job duties, and responsibilities from outgoing Treasurer.		Provide incoming Treasurer a copy of the Chapter By-laws and Treasurer job duties and responsibilities.
	Verify that specific guidelines for expenditures, funding allowances for purchases, and requirements / dollar amounts for checks and expense approvals have been reviewed with the outgoing Treasurer.		Review Chapter Finance Policy with incoming Treasurer, including specific guidelines for expenditures, funding allowances for purchases, and requirements/dollar amounts for checks and expense approvals.
	Verify that past conference operating plans have been reviewed with outgoing Treasurer.		Review past conference operating plans with incoming Treasurer.
	Verify receipt of past Chapter and National VPPPA financial audits and review the audit processes with the outgoing Treasurer.		Review past Chapter and National VPPPA financial audits and audit processes and procedures with incoming Treasurer.
	Provide dates and list of officers currently listed on the regional incorporation information.		Ensure that the necessary information and funds are disbursed annually or as necessary to maintain an active incorporation for the Chapter.
	Verify that current bank account statements and transactions have been reviewed with the outgoing Treasurer.		Review current bank account statements and transactions with the incoming Treasurer.
	Verify receipt of the timeline of deadlines and actions for submittals of reports, audits, regional statements, etc. Obtain clarification the purpose of each during the review.		Provide a timeline of deadlines and actions for submittals of reports, audits, regional statements, etc. to the incoming Treasurer. Explain the purpose of each during the review.

Incoming Treasurer

Date

Outgoing Treasurer

Date